

Message Text

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TAGS: MCAP, NATO, NO

SUBJECT: NATO FORCE PROPOSALS/GOALS 1975-80 NORWAY

REF: (A) STATE 42348; (B) MCM-14-74

SECTION I. INTRODUCTION

1. THIS MESSAGE PROVIDES SPECIFIC GUIDANCE FOR MISSION USE DURING CONTINUING DRC REVIEW OF NORWEGIAN FORCE PROPOSALS/GOALS. THE GENERAL APPROACH USED IN DEVELOPING THIS GUIDANCE WAS DESCRIBED IN REFERENCE A. FYI.

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WE REITERATE THAT THE CONCEPT EMPLOYED IN

ARRIVING AT U.S. PROPOSED FORCE GOALS DOES NOT ATTEMPT TO SUPPLANT THE MILITARY CONSIDERATIONS EXPRESSED AS MC PRIORITIES IN FORCE PROPOSALS. RATHER, IT USES THOSE PROPOSALS AS A DEPARTURE POINT TO INTERWEAVE ECONOMIC, POLITICAL, AND USG POLICY CONSIDERATIONS INTO THE FORCE PLANNING PROCESSES OF THE ALLIANCE. END FYI.

2. AS DESCRIBED IN REF A, OUR "REASONABLE CHALLENGE" FOR NATO COUNTRIES WAS DEFINED AS THE INCREMENTAL FUNDS -- OVER AND ABOVE CURRENT NATIONAL EXPENDITURE

PLANS -- THAT COUNTRIES WOULD HAVE DURING 1975-80 IF THEY MAINTAINED THEIR CURRENT PERCENTAGE OF GNP DEVOTED TO DEFENSE. IN THE CASE OF NORWAY, OUR "REASONABLE CHALLENGE" WOULD BE AN ADDITIONAL EXPENDITURE OF 3,875 MILLION NORWEGIAN KRONER, OR AN INCREASE OF ABOUT EIGHTEEN PERCENT OVER AND ABOVE OUR PROJECTION OF CURRENTLY PLANNED 1975-80 EXPENDITURES (N.KR 21,989 MILLION).

3. WE HAVE ALSO FOLLOWED THE PROCEDURE DESCRIBED IN REF A FOR DISTILLING A U.S. PROPOSED LIST OF PRIORITY ONE FORCE GOALS OUT OF REF B. IN THE CASE OF NORWAY, NARROWING THE CRITERIA FOR PRIORITY ONE TO THOSE FORCE PROPOSALS WHICH SEEM TO ADVANCE NATO'S FORCE STRUCTURE TOWARDS THE OBJECTIVES EMPHASIZED BY SECRETARY SCHLESINGER HAS RESULTED IN THE PROPOSED FORCE GOALS INCLUDED BELOW IN TABLES III-C-1 THROUGH-3.

4. WE ASSUME MISSION WILL WORK CLOSELY WITH DELEGATIONS AND INTERNATIONAL STAFF IN CARRYING OUT APPROPRIATE MISSIONARY WORK.

5. THE FOLLOWING SECTIONS PROVIDE DETAILS ON THE FORCE PROPOSALS FOR NORWAY.

SECTION II: COMPUTATION OF "REASONABLE CHALLENGE" EXPENDITURE TARGETS FOR NORWAY.

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1. THIS SECTION DESCRIBES THE PROCESS USED TO ESTABLISH OUR REASONABLE CHALLENGE EXPENDITURE TARGETS FOR NORWAY. A SUMMARY OF THE KEY STEPS IS PRESENTED BELOW FOLLOWED BY A GENERAL DESCRIPTION OF DATA SOURCES AND ASSUMPTIONS.

1972 CONSTANT PRICES, N. KR. IN MILLIONS

(1)	(2)	(3)
PROJECTED	PERCENTAGE OF	1975-80 DEFENSE
1975-80	GNP CURRENTLY	EXPENDITURES TARGET
GNP	DEVOTED TO	BASED ON MAINTAINING
	DEFENSE	CURRENT PERCENTAGE
		OF GNP DEVOTED TO
		DEFENSE

689,694	3.75 PERCENT	25,864
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(4)	(5)	(6)
PROJECTED	"REASONABLE CHALLENGE"	"REASONABLE
1975-80 DEFENSE	(DIFFERENCE BETWEEN	CHALLENGE"
EXPENDITURES	TARGET AND NATIONAL	AS A PERCENT
BASED ON CURRENT	PLANS)	OF PROJECTED
NATIONAL PLANS	(3) - (4)	EXPENDITURES
		BASED ON
		NATIONAL PLANS

21,989	3,875	17.6 PERCENT
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SUMMARY OF KEY STEPS

2. FIRST, WE PROJECTED TOTAL NORWEGIAN GNP FOR 1975 THROUGH 1980 (COL. 1). NEXT, WE DETERMINED THE TOTAL FUNDS THAT WOULD BE AVAILABLE FOR DEFENSE DURING 1975-1980 IF NORWAY ADHERED TO MINISTERIAL GUIDANCE CALLING FOR NATIONS TO ALLOCATE AT LEAST A CONSTANT SHARE OF THEIR NATIONAL WEALTH, I.E., THEIR GNP, TO DEFENSE (COL. 3). WE THEN DETERMINED WHAT FUNDS NORWAY WOULD HAVE AVAILABLE FOR DEFENSE DURING 1975-1980 BASED ON CURRENT NATIONAL EXPENDITURE PLANS (COL. 4). WE ASSUMED THAT THE FORCE PROPOSALS ALREADY IN NATIONAL FORCE PLANS

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WOULD BE FUNDED OUT OF THE AMOUNTS SHOWN IN COL. 4 AND THAT ADDITIONAL FUNDING, OVER AND ABOVE THE AMOUNTS SHOWN IN COL. 4, WOULD BE NECESSARY TO FUND ANY ADDITIONAL FORCE PROPOSALS (OTHER THAN NO COST/LOW COST PROPOSALS). COLUMN 5 IS THE DIFFERENCE BETWEEN TOTAL DEFENSE EXPENDITURES BASED ON CURRENT NATIONAL EXPENDITURE PLANS (COL. 4). THIS FIGURE (N. KR. 3.9 BILLION) REPRESENTS OUR PROPOSED "REASONABLE CHALLENGE," I.E., THE INCREMENTAL AMOUNT NORWAY WOULD BE EXPECTED TO DEVOTE TO DEFENSE TO FUND PRIORITY ONE FORCE PROPOSALS THAT ARE NOT ALREADY IN COUNTRY PLANS.

DATA SOURCES AND ASSUMPTIONS

3. PRICE BASE: ALL COMPUTATIONS WERE DEVELOPED ON THE

BASIS OF 1972 CONSTANT PRICES. THIS WAS THE PRICE
BASE USED BY SHAPE TECHNICAL CENTER IN ITS COST ESTIMATES
OF THE FORCE PROPOSALS.

4. GNP PROJECTIONS (COLUMN 1): GNP PROJECTIONS ARE
BASED ON THE FORECASTS PROVIDED IN NATO DOCUMENT
DPC/D(73)23 (NORWAY). BASED ON INFORMATION PROVIDED IN

OSLO 293, 21 JAN. 74, AND INFORMAL CONTACTS WITH OTHER
USG AGENCIES, IT APPEARS THAT, BECAUSE OF ITS OIL AND
GAS RESERVES, NORWAY WILL BE RELATIVELY UNAFFECTED BY
THE ENERGY CRISIS.

5. CURRENT GNP PERCENTAGE DEVOTED TO DEFENSE (COLUMN
2): THIS FIGURE, CALCULATED USING THE GNP PERCENTAGES
SHOWN IN NATO DOCUMENT ISM (73) 11, REPRESENTS THE
AVERAGE OF NORWAY'S 1972 AND 1973 GNP PERCENTAGES. SINCE
GNP PERCENTAGES WILL FLUCTUATE FROM YEAR TO YEAR AND
SINCE 1973 DATA IS STILL SUBJECT TO CHANGE, THE AVERAGE
FOR THE TWO MOST RECENT YEARS, 1972 AND 1973, WAS
CONSIDERED TO BE A MORE REPRESENTATIVE INDICATION OF A
COUNTRY'S RECENT EFFORT THAN EITHER 1972 OR 1973 ALONE.

6. TOTAL DEFENSE EXPENDITURES BASED ON CURRENT NATIONAL
PLANS (COLUMN 4): THESE PROJECTIONS WERE DERIVED FROM
INFORMATION PROVIDED IN DPC/D(73)23 AND FROM INFORMATION
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PROVIDED BY U.S. MISSION NATO WHICH INDICATED A 2.25
PERCENT PER YEAR REAL INCREASE IN NORWAY'S DEFENSE
EXPENDITURES FOR 1975 AND BEYOND.

SECTION III:
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